

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2928 - SB 2943

February 12, 2010

SUMMARY OF BILL: Defines the requirements for determination of a meaningful return to work in cases of permanent partial disability. Creates presumption of a meaningful return to work if at the time of settlement, the employee is earning an average weekly wage equal to or greater than the wage at the time of the injury.

ESTIMATED FISCAL IMPACT:

Decrease State Expenditures - \$844,000/Risk Management Fund

Assumptions:

- Current law caps a settlement at 1.5 times the physical impairment rating if the employee has a meaningful return to work with the same employer at the wage equal to or greater than the employee was receiving at the time of the injury.
- The average physical impairment rating is 10 percent whole body.
- The average settlement on a non-capped claim is 4.5 times the rating.
- The average weekly rate is \$351.66.
- Workers' compensation benefits are calculated on a 400 week range.
- The average settlement of a capped claim is \$21,100 (10% x 1.5 x 400 weeks x \$351.66). The average settlement of a non-capped claim is \$63,300 (10% x 4.5 x 400 weeks x \$351.66).
- According to the Department of Treasury, there will be a decrease in state expenditures of approximately \$844,000 from the Risk Management Fund on claims by state employees. Based on state claim data for FY08-09 ($\$63,300 - \$21,100 = \$42,200 \times 20 \text{ claims} = \$844,000$).
- According to the Department of Labor and Workforce Development, this bill will have no fiscal impact on the Department.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

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